GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4528
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Recovery of Black Money
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Will the Minister of FINANCE be pleased to state:

(a) the efforts made so far by the Government to bring back black money along with the success achieved in this regard and the reasons for its delay;

(b) the time by which the entire black money is likely to be brought back; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)
(a) to (c):The Government has taken various measures to effectively deal with the issue of black money, particularly black money stashed away abroad. Such measures include policy-level initiatives, more effective enforcement action on the ground, putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology.

Recent major initiatives in this regard include −

(i) Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court;
(ii) Enactment of a comprehensive law − 'The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015' which has come into force w.e.f. 01.07.2015 to specifically and more effectively deal with the issue of black money stashed away abroad;
(iii) Making willful attempt to evade tax etc under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 a scheduled offence under PMLA, 2002;
(iv) Enabling attachment and confiscation of property equivalent in value held within the country where the property/proceeds of crime is taken or held outside the country by amending the Prevention of Money-laundering Act, 2002 through the Finance Act, 2015;
(v) Proactively engaging with foreign governments with a view to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions etc;
(vi) Proactively furthering global efforts to combat tax evasion/black money, inter alia, by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information (AEOI) and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA);
(vii) Introducing the Benami Transactions (Prohibition) Amendment Bill, 2015 to amend the Benami Transactions (Prohibition) Act, 1988 with a view to, inter alia, enable confiscation of Benami property and provide for prosecution;
(viii) According high priority to the cases involving black money stashed away abroad for investigation and other follow-up actions including prosecutions in appropriate cases; (ix) While focusing upon non-intrusive measures, giving due emphasis on enforcement measures in high impact cases with a view to prosecute the offenders at the earliest for credible deterrence against tax evasion/black money;
(x) Implementing information technology based 'Project Insight' by the Income Tax Department for strengthening the non-intrusive information driven approach for improving tax compliance and effective utilization of available information;
(xi) Setting-up a Multi-Agency Group (MAG) consisting of officers of Central Board of Direct Taxes (CBDT), Reserve Bank of India (RBI), Enforcement Directorate (ED) and Financial Intelligence Unit (FIU) for expeditious & coordinated investigation of recent revelations in Panama paper leaks.

Further, before the cases involving black money stashed away abroad were subjected to more stringent provisions of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, a one-time three months' compliance window closing on 30th September 2015 was provided under the new law wherein 648 declarations involving undisclosed foreign assets worth Rs.4164 crore were made. The amount collected by way of tax and penalty in such cases is about Rs.2476 crore.

While action against black money is an on-going process, as part of enforcement measures, the Income Tax Department (ITD) conducted searches in 990 groups of assessees during last 2 years (F.Ys. 2014-15 and 2015-16), seizing undisclosed assets worth Rs.1,474 Crore. These assessees admitted undisclosed income of Rs.21,354 Crore. During the same period, 9,457 surveys conducted resulted in detection of undisclosed income of Rs.22,475 Crore. Other investigations have led to detection of substantial amounts of undisclosed income. There has been significant rise in criminal prosecutions filed by the Income Tax Department also during last 2 years and number of cases where prosecution complaints were filed and offences were compounded during F.Ys. 2014-15 and 2015-16 is 3,140 as against 1,690 during F.Ys. 2012-13 and 2013-14.
The above measures have equipped the Government better in curbing the menace of black money.